



November 5, 2018

**VIA ECFS**

Claudia Fox  
Telecommunications Access Policy Division  
Wireline Competition Bureau  
445 12th Street, S.W.  
Washington, DC 20554

Re: WC Docket No. 06-112  
Truphone Inc. Emergency Request for Waiver

Dear Ms. Fox,

Truphone Inc. ("Truphone") submits via ECFS an Emergency Request for Waiver of February 2018 Form 499-Q 45-Day Revision Deadline.

Please do not hesitate to contact us with any questions.

Respectfully submitted,

Kevin J McHugh  
Secretary

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Request for Waiver of February Form	)	WC Docket No. 06-122
499-Q 45-Day Revision Deadline	)	
	)	
by	)	
	)	
Truphone Inc.	)	

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**Emergency Request for Waiver of February 2018 FCC  
Form 499-O 45-Day Revision Deadline**

Truphone Inc. ("Truphone"), through its undersigned officer and pursuant to Section 1.3 of the Commission's rules, requests that the Wireline Competition Bureau ("Bureau") (1) waive the 45-day Form 499-Q revision filing deadline to permit Truphone to correct a substantial error in its February 2018 Form 499-Q and (2) require the Universal Service Administrative Company ("USAC") to refund any excess Universal Service Fund ("USF" or "Fund") contribution payments by Truphone and waive any late payment fees, interests, or penalties that USAC has or may assess resulting from the error. Truphone requests that the Commission take such action on an expedited basis so that Truphone is not required to make additional incorrect and unduly burdensome USF contributions that would not otherwise be refunded until the annual true-up process is complete and so that Truphone is not otherwise at risk of paying any late payment fees, interest, and penalties which would likewise be unduly burdensome to Truphone.

## **I. Background**

Truphone is a telecommunications provider that makes USF contributions and is a recipient of E-rate distributions from the Fund. On February 1, 2018, Truphone timely filed its FCC Form 499-Q reporting projected revenues for fourth quarter of 2017. The form as submitted included a significant clerical error which resulted in grossly inflated interstate end user revenues being reported on its February 2018 Form 499-Q. Truphone inadvertently reported revenues of \$2,790,000 on Lines 119 and 120 as interstate, an amount nearly Eight times the amount of interstate revenues that should have been projected - \$283,970.<sup>1</sup> Truphone did not discover this error until it received its April 20, 2018 invoice from USAC,<sup>2</sup> which was well beyond the 45-day deadline of March 15, 2018 for making corrections to its Form 499-Q.

As a result of this inadvertent yet consequential error, the erroneous amount of revenue reported on its February 2018 Form 499-Q increased Truphone's quarterly contribution base approximately 800% as compared to its 2017 Form 499-Q. The fourth quarter monthly USF contribution invoices USAC sent based on Truphone's erroneous February Form 499-Q represent a nearly 3-fold increase in Truphone's contribution obligation.<sup>3</sup> Truphone has taken step to ensure that this type of error is not repeated in future Form 499Q filings.

In the event that the Bureau declines to waive the Form 499-Q revision deadline, Truphone will be unable to recover excess contributions already paid until the completion of the

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<sup>1</sup> See Group Exhibit A.

<sup>2</sup> See *Id.*

<sup>3</sup> See *Id.*

annual true-up process, required to submit the full incorrect obligation amount, and be at risk of being subjected to late payment fees, interests, and penalties accrued since the April 2018 invoice payment due date. In the case of denial, the billed fourth quarter contribution would exceed the company's USF contribution obligation for the entirety of 2017 and 2018 based on corrected revenue projections. Accordingly, Truphone requests that the Bureau waive the 45-day revision deadline and permit Truphone to file a corrected 499-Q for February 2018 with USAC.

Additionally, Truphone requests the Bureau to direct USAC to promptly refund the amount of USF contributions paid by Truphone in excess of its USF contribution obligation based on the revised 499-Q and to waive any late payment fees, interests, and penalties resulting from incorrect USF contributions obligations, if any.

## **II. Good Cause Exists to Waive the 45-Day Revision Deadline.**

The Commission may waive its rules for good cause shown. 47 C.F.R. § 1.3. A rule may be waived where the particular facts make strict compliance inconsistent with the public interest.<sup>5</sup> In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.<sup>6</sup> Additionally, good cause for a waiver may be shown "in cases where allowing deviation from a rule requirement would not disserve the rule's underlying purpose and would better serve the public interest than requiring strict compliance."<sup>7</sup>

Truphone requests a waiver of the 45-day revision deadline for Form 499-Q and requests the Bureau to direct USAC to accept a revised February 2018 Form 499-Q. The Bureau has waived the 45-day Form 499-Q revision deadline rule and directed USAC to accept corrected

<sup>5</sup> *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

<sup>6</sup> *Id.*

<sup>7</sup> See *Mobile Satellite Ventures Subsidiary LLC, Memorandum Opinion and Order*, 22 FCC Rcd. 20548, 2055 (I.B. 2007).

forms submitted outside of the revision window when clerical errors have resulted in invoiced contribution obligations that vastly exceed the amount a carrier should have owed. For example, in *Peak*,<sup>8</sup> the Bureau found that Peak demonstrated good cause for granting a waiver of the 45-day revision deadline for its FCC Form 499-Q, where Peak made an inadvertent clerical error on its November 2013 FCC Form 499-Q. Because of the clerical error, USAC invoiced Peak for an amount substantially more than what it would typically pay in a given month, and greater than what Peak's contribution obligation would likely be for all of 2014. Similarly, in the *Aventure* Decision<sup>9</sup>, the Bureau found that Aventure inadvertently reporting total revenues rather than end-user revenues, resulting in a \$261,000 overpayment. The Bureau found that a payment reflecting an amount nearly 20 times Aventure's actual USF obligation and the prospect of not receiving a refund for 15 months were circumstances which justified a waiver of the revision deadline. In *Peerless Networks*,<sup>10</sup> the Bureau granted a waiver of the revision deadline after an inadvertent clerical error that was not discovered until after the revision deadline had passed resulted in contributions owed that exceeded the carrier's USF obligation for the entire year.

In addition, in *In the Matter of Universal Serv. Contribution Methodology*, 28 F.C.C. Rcd. 10358, 10362 (2013), the Bureau noted that the interest and penalties should only be calculated on contribution amounts based on the revised FCC Form 499-Q. There, the Bureau found good cause and waived the revision deadline for American Broadband, which inadvertently made a "significant typographical error" by adding an extra zero to the projected

<sup>8</sup> *In the Matter of Emergency Request for Review by Peak Commc'ns, Inc. of A Decision of the Universal Serv. Adm'r & Request for Waiver of Deadline for Filing Revisions to Fcc Form 499-Q*, 29 F.C.C. Rcd. 9668 (2014).

<sup>9</sup> *In the Matter of Fed.-State Joint Bd. on Universal Serv. Universal Serv. Contribution Methodology*, 23 F.C.C. Rcd. 10096, 10097 (2008).

<sup>10</sup> *Emergency Request for Review of Decision of the Universal Service Administrator and Request for Waiver of Deadline by Peerless Network, Inc.*, WC Docket No. 06-122, Order, 29 FCC Rcd. 7546, if 2 (WCB 2014) ("*Peerless Order*").

end-user interstate revenue reported on the May 2010 FCC Form 499-Q. Because of this error, American Broadband's invoices for the relevant quarter were ten times what they should have been. In respect to American Broadband's challenge of USAC's "pay-and-dispute" policy, the Bureau held that "[b]ecause we waive the revision deadline, interest and penalties will accrue only on the contribution amounts based on the revised FCC Form 499-Q, and only from the due date to American Broadband's January 2011 payment date."

The facts above are nearly identical to Truphone's situation. Just as the Bureau found good cause to justify a waiver of the 45-day revision deadline in the above cases, good cause exists here. Like those other cases, a minor, yet consequential, clerical error resulted in Truphone owing a USF contribution amount for fourth quarter that exceeds its likely USF contribution for the entirety year of 2017. The clerical error resulted in three quarterly payments of \$433,125.43 and a total payment of \$1,299,376.29 which is nearly 800 times more than the contributions that Truphone should have submitted. Good cause exists to grant a one-time waiver of the 45-day revision deadline because it would correct an inadvertent yet significantly consequential clerical error that resulted in an unjustifiably large USF contribution obligation.

According to the conclusions in *In the Matter of Universal Service Contribution Methodology*, the interest and penalties will accrue only on the contribution amounts based on the revised FCC Form 499-Q, and only from the due date of Truphone's April 2018 invoice.

**a. Denial of the Waiver Will Cause Significant Financial Harm to Truphone**

Truphone has paid twice as much as the USF contribution obligation that should have been assessed. If the waiver of 45-day revision deadline is disallowed, Truphone will be required to pay the full amount, which is 93 times the true obligation, plus interests and penalties.

The total amount would be significantly larger than its true obligation due to an inadvertent clerical error. Strict compliance with the revision deadline would require Truphone to make additional erroneous contribution amounts in the future and would disproportionately penalize Truphone.

Absent a waiver, Truphone would be forced to pay the erroneously invoiced amount until USAC processes a true-up credit during the fourth quarter of 2018, plus any non-refundable interests and penalties. This would leave Truphone without significant money that could otherwise be spent on network deployment and improving services to Truphone's customers. Grant of the instant waiver request will help to ensure that Truphone's operations and customers are not harmed unnecessarily by the need for Truphone to make excess USF contribution payments based on the erroneous February Form 499-Q. Similar to the situation in *Peak*, strict enforcement of the filing deadline and the imposition of the associated interest and penalties in this case would disproportionately penalize Truphone.

**b. Neither the Universal Service Fund nor the Public Interest Will Be Adversely Impacted.**

Waiver of the 45-day revision deadline in this instance will not disserve the rule's underlying purpose and would better serve the public interest than requiring strict compliance. The 45-day revision deadline is intended to "eliminate incentives for contributors to revise their revenue projections after the contribution factor is announced for the upcoming quarter (thereby reducing their contribution obligations), and to reduce the likelihood of a Fund shortfall in a given calendar quarter."<sup>11</sup> Rather than attempting to reduce its contribution obligation, Truphone seeks to correct an inadvertent clerical error that resulted in an unreasonably large, and

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<sup>11</sup> *In the Matter of Universal Serv. Contribution Methodology*, 28 F.C.C. Rcd. 10358, 10362-63 (2013).

inaccurate, contribution obligation owed. Revising Truphone's remaining USF contribution payments for fourth quarter and refunding the overpayment already made implicates only a fraction of total USF contribution obligations for fourth quarter 2017 such that a downward revision is unlikely to impact USF in the short term. If the Bureau grants the waiver, Truphone will pay a revised fourth quarter USF contribution based on accurate projections. Furthermore, the Fund will not be harmed by permitting the revision to the February 2018 Form 499-Q because Truphone would ultimately be entitled to a refund for overpayment through the true-up process in 2018.

Strict compliance with the 45-day revision deadline is inconsistent with the public interest when inadvertent typographical or clerical errors on Form 499-Q result in significantly overstated assessable telecommunications revenue.<sup>12</sup> Absent a waiver of the revision deadline, Truphone faces fourth quarter contribution obligations based on significantly overstated assessable telecommunications revenue. Grant of the instant waiver request would be consistent with Commission precedent and better serve the public interest by ensuring that an inadvertent clerical error does not result in a grossly disproportionate USF contribution burden on Truphone.

**III. The Bureau Should Direct USAC to Issue a Credit Balance Refund to Truphone for the Amount of USF Contribution Overpayment and Waive any Interest or Penalties Arising from the Erroneous Form 499-Q.**

In the event that the Bureau finds good cause to grant a waiver of the 45-day revision deadline, the Bureau should direct USAC to retain an amount equal to Truphone's revised fourth quarter contribution and promptly issue a credit balance refund for the excess contribution amount already paid.

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<sup>12</sup> See *Peak In the Matter of Emergency Request for Review by Peak Commc'ns, Inc. of A Decision of the Universal Serv. Adm'r & Request for Waiver of Deadline for Filing Revisions to Fcc Form 499-Q*, 29 F.C.C. Rcd. 9668 if 3, n. 9(2014).



USAC has the authority to refund overpayments by USF contributors. 47 C.F.R. § 54.713(a). Nothing in the Commission's rules requires that overpayments be treated as a credit toward future USF obligations, and USAC has an established process for one-time refunds at any time during the year if there is a credit balance on a contributor's account. Accordingly, the Bureau should direct USAC to issue a refund of the USF contribution payment made based on the erroneous April 2018 invoices and any subsequent overpayments made during the pendency of this waiver request. The interest and penalties will accrue only on the contribution amounts based on the revised FCC Form 499-Q, and only from the due date of April 2018 invoice.

#### **IV. Conclusion**

Truphone requests that the Bureau (1) waive the 45-day revision deadline to permit Truphone to file a revised February 2018 Form 499-Q and immediately pay all amounts due and outstanding as recomputed; (2) direct USAC to issue a refund to Truphone for the amount of USF contribution paid pursuant to the erroneous April 2018 invoices in excess of the contribution that should have been owed based on Truphone's accurate projected fourth quarter revenues; and (3) assess the interest and penalties, if any, only on the contribution amounts based on the revised FCC Form 499-Q, and only from the due date of April 2018 invoice.

Respectfully submitted,



Kevin J McHugh  
Secretary

**Exhibit A**

**FCC Form 499-Q Telecommunications Reporting Worksheet**

Quarterly Filing for Universal Service Contributors

&gt; Please read instructions before completing &lt;

Approval by OMB  
3060-0855**Block 1: Contributor Identification Information**

101

Filer 499 ID

828382

102 Legal name of reporting entity

Truphone, Inc.

103 Filer's IRS employer identification number

26-2808439

104 Name telecommunications provider is doing business as

Truphone

105 Affiliated Filers Name/Holding Company Name

[All affiliated companies should show same name here. In most cases, the Affiliated Filers Name will be the holding company name.]

Check if filer has no affiliates: ☐

TRUPHONE LIMITED

105.1 Affiliated Filers Name/Holding Company Name IRS employer identification number

00-4187081

106 Filer's FCC Registration Number (FRN)

0018-2617-35

107 Complete mailing address of reporting entity's corporate headquarters

4819 Emperor Blvd Suite 400, Durham NC 27703 United States

**Block 2: Contact Information**

108 Person who completed this worksheet

First Kevin

MI

Last McHugh

109 Telephone number of this person

( 919 ) - 436-2610

ext

110 Fax number of this person

( ) -

111 Email of this person

kevin.mchugh@truphone.com

112 Billing address and billing contact person:

[Bills for Universal Service contributions will be sent to this address.]

Kevin

McHugh

4819 Emperor Blvd

Suite 400

Durham

NC

27703

United States

kevin.mchugh@truphone.com

919

436-2610

**Block 3: Contributor Historical and Projected Revenue Information**

113 Indicate which quarterly filing this represents

Filing due

☐ November 1, 2017☒ February 1, 2018☐ May 1, 2018☐ August 1, 2018

Historical revenues (lines 115-118) for

July 1 - September 30, 2017

October 1 - December 31, 2017

January 1 - March 31, 2018

April 1 - June 30, 2018

Projected revenues (lines 119-120) for

January 1 - March 31, 2018

April 1 - June 30, 2018

July 1 - September 30, 2018

October 1 - December 31, 2018

114 Check if using safe harbor to allocate interstate/intrastate revenues for each of the following (as applicable):

Cellular & broadband PCS: ☒Paging: ☐Analog SMR: ☐Interconnected VoIP: ☐

Historical billed revenues with no allowance or deductions for uncollectibles. See Instructions.

Total Revenues

(a)

Interstate Revenues

(b)

International Revenues

(c)

115 Telecommunications provided to other universal service contributors for resale as telecommunications or as or as interconnected VoIP.

\$0.00

\$0.00

\$0.00

116 End-user telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues

\$765,418.00

\$283,970.00

\$0.00

117 All other goods and services

\$0.00

Column (b) and (c) not requested

118 Gross-billed revenues from all sources [sum of above]

\$765,418.00

for Lines 117 and 118

119 Projected gross-billed end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues

\$283,970.00

\$0.00

120 Projected collected end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues

\$283,970.00

\$0.00

**Block 4: CERTIFICATION: to be signed by an officer of the reporting entity**

121 I certify that the revenue data contained herein are privileged and confidential and that public disclosure of such information would likely cause substantial harm to the competitive position of the company. I request nondisclosure of the revenue information contained herein pursuant to sections 0.459, 52.17, 54.711 and 64.604 of the Commission's Rules.



I certify that I am an officer of the above-named reporting entity, that I have examined the foregoing report and to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true, that said Worksheet is an accurate statement of the affairs of the above-named company for the quarter and that the projections of gross-billed and collected revenues represent a good-faith estimate based on company procedures and policies.

122 Signature

123 Printed name of officer

First Kevin

MI

Last McHugh

124 Position with reporting entity

Secretary

125 Email of officer (Required if available)

kevin.mchugh@truphone.com

126 Date

5/21/2018

127 This filing is:

☐ Original filing☒ Revised filing [revisions due within 45 days of original filing deadline]

Do not mail checks with this form. Send this form to: Form 499 Data Collection Agent c/o USAC 700 12th Street, N.W. Suite 900 Washington DC 20005

For additional information regarding this worksheet contact: Telecommunications Reporting Worksheet Info: (888)641-8722 or via e-mail: Form499@universalservice.org

ORIGINAL Filing

**FCC Form 499-Q Telecommunications Reporting Worksheet**  
**Quarterly Filing for Universal Service Contributors**

&gt; Please read instructions before completing &lt;

Approval by OMB  
3060-0855

<b>Block 1: Contributor Identification Information</b>		101	Filer 499 ID	828382
102	Legal name of reporting entity	Truphone, Inc.		
103	Filer's IRS employer identification number	26-2808439		
104	Name telecommunications provider is doing business as	Truphone		
105	Affiliated Filers Name/Holding Company Name <small>[All affiliated companies should show same name here. In most cases, the Affiliated Filers Name will be the holding company name.]</small>	Check if filer has no affiliates: <input type="checkbox"/> TRUPHONE LIMITED		
105.1	Affiliated Filers Name/Holding Company Name IRS employer identification number	00-4187081		
106	Filer's FCC Registration Number (FRN)	0018-2617-35		
107	Complete mailing address of reporting entity's corporate headquarters	4819 Emperor Blvd Suite 400, Durham NC 27703 United States		

**Block 2: Contact Information**

108	Person who completed this worksheet	First Kevin	MI	Last McHugh
109	Telephone number of this person	( 919 ) - 436-2610 ext		
110	Fax number of this person	( ) -		
111	Email of this person	kevin.mchugh@truphone.com		
112	Billing address and billing contact person: [Bills for Universal Service contributions will be sent to this address.]	Kevin McHugh 4819 Emperor Blvd Durham NC 27703 United States kevin.mchugh@truphone.com 919 436-2610	Suite 400	

**Block 3: Contributor Historical and Projected Revenue Information**

113	Indicate which quarterly filing this represents	<u>Filing due</u>	<u>Historical revenues (lines 115-118) for</u>	<u>Projected revenues (lines 119-120) for</u>
	<input type="checkbox"/> November 1, 2017	July 1 - September 30, 2017	January 1 - March 31, 2018	
	<input checked="" type="checkbox"/> February 1, 2018	October 1 - December 31, 2017	April 1 - June 30, 2018	
	<input type="checkbox"/> May 1, 2018	January 1 - March 31, 2018	July 1 - September 30, 2018	
	<input type="checkbox"/> August 1, 2018	April 1 - June 30, 2018	October 1 - December 31, 2018	
114	Check if using safe harbor to allocate interstate/intrastate revenues for each of the following (as applicable): Cellular & broadband PCS: <input checked="" type="checkbox"/> Paging: <input type="checkbox"/> Analog SMR: <input type="checkbox"/> Interconnected VoIP: <input type="checkbox"/>			
	Historical billed revenues with no allowance or deductions for uncollectibles. See Instructions.	Total Revenues (a)	Interstate Revenues (b)	International Revenues (c)
115	Telecommunications provided to other universal service contributors for resale as telecommunications or as or as interconnected VoIP.	\$0.00	\$0.00	\$0.00
116	End-user telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues	\$7,514,160.00	\$2,787,753.00	\$0.00
117	All other goods and services	\$0.00	Column (b) and (c) not requested for Lines 117 and 118	
118	Gross-billed revenues from all sources [sum of above]	\$7,514,160.00		
119	Projected gross-billed end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues		\$2,790,000.00	\$0.00
120	Projected collected end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues		\$2,790,000.00	\$0.00

**Block 4: CERTIFICATION: to be signed by an officer of the reporting entity**

121	I certify that the revenue data contained herein are privileged and confidential and that public disclosure of such information would likely cause substantial harm to the competitive position of the company. I request nondisclosure of the revenue information contained herein pursuant to sections 0.459, 52.17, 54.711 and 64.604 of the Commission's Rules. <input checked="" type="checkbox"/>		
I certify that I am an officer of the above-named reporting entity, that I have examined the foregoing report and to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true, that said Worksheet is an accurate statement of the affairs of the above-named company for the quarter and that the projections of gross-billed and collected revenues represent a good-faith estimate based on company procedures and policies.			
122	Signature		
123	Printed name of officer First Kevin MI Last McHugh		
124	Position with reporting entity Secretary		
125	Email of officer (Required if available) kevin.mchugh@truphone.com		
126	Date 2/1/2018		
127	This filing is: <input checked="" type="checkbox"/> Original filing <input type="checkbox"/> Revised filing [revisions due within 45 days of original filing deadline]		

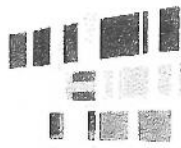
Do not mail checks with this form. Send this form to: Form 499 Data Collection Agent c/o USAC 700 12th Street, N.W. Suite 900 Washington DC 20005  
 For additional information regarding this worksheet contact: Telecommunications Reporting Worksheet Info: (888)641-8722 or via e-mail: Form499@universalservice.org

PERSONS WILLFULLY MAKING FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE, 18 U.S.C. §1001

Save time, avoid problems. File electronically at

http://forms.universalservice.org

FCC Form 499-Q/ January 2018



Universal Service  
Administrative Co.

Filer 499 ID: 828382  
Invoice Number: UBDI0000972774  
Statement Date: 04/20/2018  
New Balance: \$ 161,253.58  
Payment Due Date: 05/15/2018  
Amount Enclosed:

Truphone, Inc.  
Attention: Kevin McHugh  
4819 Emperor Blvd, Suite 400  
Durham, NC, 27703

Mail Payment To:

Universal Service Administrative Company  
PO Box 105056  
Atlanta, GA 30348-5056

Address Change? See reverse side for instructions.

☐ If paying for multiple Filer 499 IDs, please check here and complete form on back.

Send top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

ACCOUNT STATUS

- Notice of Filing Issue(s) – You must respond to outstanding issues on multiple FCC Form 499 filings. Failure to respond could render your filings incomplete and you could be subject to fees.
- For inquiries please call USAC at (888) 641-8722.

STATEMENT OF ACCOUNT

Date	Description	Charges	Credits
	Previous Balance	\$33,756.86	
03/19/2018	Payment		(\$16,878.43)
04/13/2018	Support Mechanism Charges	\$144,375.15	
TOTAL OUTSTANDING USAC BALANCE AS OF 4/13/2018		\$161,253.58	

Transactions occurring after 04/13/2018 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. Read the reverse of this Invoice for important information about those sanctions and your legal rights and obligations.

Statement Date	Invoice Number	Filer 499 ID	Balance Due USAC
04/20/2018	UBDI0000972774	828382	\$ 161,253.58
<b>FORM 499Q DATA</b>		<b>PAYMENT INFORMATION</b>	
This month's support mechanism charges were calculated using an FCC contribution factor of 0.184000 and the following revenue data:		All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150.	
February 2018 499Q		Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653.	
120b	\$2,790,000.00	All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653.	
120c	\$0.00	Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting.	
If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722			

## **IMPORTANT LEGAL INFORMATION ABOUT YOUR ACCOUNT AND YOUR RIGHTS AND OBLIGATIONS**

1. **DEMAND FOR PAYMENT, DUE DATE & DELINQUENCY.** Under 31 U.S.C. § 3701, C.F.R. § 901.2 and 47 C.F.R. § 1.1911, this is a First Demand for Payment of your **BALANCE DUE**, which is a DEBT owed to the United States. Any portion of that amount unpaid after the **PAYMENT DUE DATE** (*i.e.*, the **DATE OF DELINQUENCY**) is a **DELINQUENT DEBT** for which USAC and the FCC may take **COLLECTION ACTION** against you as a **DELINQUENT DEBTOR**. Under 31 U.S.C. § 3717, we will assess interest, penalties and administrative charges (below), from the **DATE OF DELINQUENCY**, and if the DEBT remains delinquent, we will refer the matter to the Secretary of the Treasury ("Treasury") or the Department of Justice ("Justice"). **COLLECTION ACTION** may also include judicial enforcement by Justice and/or administrative action by the FCC or Treasury, *e.g.*: administrative offset, denial of certain federal benefits, and/or referral to private collection attorneys, any or all of which may incur additional charges. Under 31 U.S.C. § 3716, the United States may collect the debt by administrative offset. In addition, the USAC and the FCC will withhold action on any pending application (Red Light) made by a **DELINQUENT DEBTOR**, and the delinquency will be reported to credit-reporting agencies. You may learn more about the DCIA by reading 31 U.S.C. §§ 3701, 3711, 3716, 3717, and 3720B, the Federal Claims Collection Standards (*e.g.*, 31 C.F.R. § 900.1, *et seq.*), and 47 C.F.R. § 1.1901, *et seq.* For more information, go to: <http://usac.org/cont/late-payments/default>.

2. **RECORD REVIEW AND APPEALS.** If you believe the amount of the **BALANCE DUE** is in error, you may ask to inspect, or for USAC to review, the records relevant to this invoice, by submitting, **within 15 calendar days of this invoice date**, a written request for inspection or review specifying the nature of the error(s) to **CUSTOMER SUPPORT**. If you wish to appeal this invoice, you may file an appeal within 60 calendar days of the statement date on the invoice pursuant to the requirements of 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at <http://www.usac.org/cont/about/program-integrity/appeals.aspx>.

3. **PAYMENT PLAN.** If you are unable to pay the **BALANCE DUE** in full, you may request a written payment plan agreement, the terms of which will require interest and administrative charges. Go to [www.usac.org/pay](http://www.usac.org/pay) for more information.

4. **CONSEQUENCES IF YOU DO NOT PAY THE FULL BALANCE DUE.** A failure to submit payment may result in sanctions, including, but not limited to, administrative or judicial proceedings to recover the **DELINQUENT DEBT**, and all accrued administrative charges, penalties, and interest, as set forth below.

**INTEREST, PENALTIES, AND CHARGES.** Interest at the annual rate equal to the U.S. prime rate as of the **DATE OF DELINQUENCY** plus 3.5 percent accrues from that DATE until the DEBT is paid in full. This interest rate incorporates administrative charges of collection pursuant to 47 C.F.R. § 54.713. Moreover, a penalty of 6 percent a year accrues on any part of the DEBT that is more than 90 days **DELINQUENT**. If the DEBT remains unpaid, the full amount of the **DELINQUENT DEBT**, plus accrued interest and penalties, may be transferred to the Treasury or Justice for **COLLECTION ACTION**, and you will be required to pay the administrative costs of processing and handling a **DELINQUENT DEBT** as set by the Treasury (currently 28 percent of the debt). These requirements are set out at 31 U.S.C. § 3717. For more information, go to: <http://usac.org/cont/late-payments/default.aspx>.

5. **LATE FILING FEES FOR INCOMPLETE OR LATE-FILED WORKSHEETS.** Telecommunications Reporting Worksheet (Worksheet) FCC Forms 499-Q or 499-A must be received on Feb 1, Apr 1 (499-A), May 1, Aug 1, and Nov 1. A Worksheet not received when due is **DELINQUENT**, and if more than 30 days **DELINQUENT**, USAC will assess a **LATE FILING FEE** equal to the greater of \$100 per month or an amount computed using the rate of the U.S. prime rate (in effect on the

**FILING FEE** unpaid after the **DUE DATE** will be **DELINQUENT** and subject to DCIA procedures discussed above, including **INTEREST**, **PENALTIES**, and **CHARGES**. For more information, go to: <http://usac.org/cont/payers/understanding-my-invoice/late-filing-sanction.aspx>.

If you fail to file your Worksheet and to pay your contribution, interest will accrue on the greater amount due from the earliest date of the failure to file or to pay your contribution.

### **How to Make Payments**

Go to [www.usac.org/pay](http://www.usac.org/pay) to make a payment.

### **Change of Invoice Billing Address**

To change your USAC invoice billing address, log in to E-File (<https://efile.universalservice.org>) and submit a revised 499Q or 499A form for any open period filing with updated billing address.

**CUSTOMER SUPPORT** will respond to matters involving:

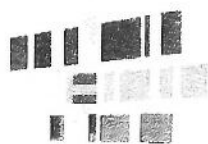
- Universal Service Fund invoices (including change of address and errors) and payments;
- USAC disbursements (remittances, checks and ACHs);
- FCC Form 498 or SPIN issues; and
- FCC Form 499 and revenue reporting issues.

Contact **CUSTOMER SUPPORT** at:

USAC Billing and Disbursement  
700 12<sup>th</sup> Street, NW  
Suite 900  
Washington, DC 20005

Phone: (888) 641-8722  
Fax: (888) 637-6226  
E-mail: [customersupport@usac.org](mailto:customersupport@usac.org)  
Web: [www.usac.org](http://www.usac.org)





# Universal Service Administrative Co.

Filer 499 ID: 828382  
Invoice Number: UBD10000972774  
Statement Date: 04/20/2018

## DETAILED SUMMARY OF CHARGES AND CREDITS

### SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

#### Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\frac{\$ 2,790,000.00}{\text{Interstate Revenue (Line 120B)}} + \frac{\$ 0.00}{\text{International Revenue (Line 120C)}} = \frac{\$ 2,790,000.00}{\text{Quarterly Contribution Base}}$$

#### Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\begin{aligned} & \frac{\$ 2,790,000.00}{\text{Quarterly Contribution Base}} * \frac{0.184000}{\text{FCC Contribution Factor}} = \frac{\$ 513,360.00}{\text{Unadjusted Contribution}} \\ & \frac{\$ 513,360.00}{\text{Unadjusted Contribution}} - \left( \frac{\$ 513,360.00}{\text{Unadjusted Contribution}} * \frac{0.156293}{\text{FCC Circularity Factor}} \right) = \frac{\$ 433,125.43}{\text{Adjusted Contribution}} \end{aligned}$$

#### De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on neither the 499A or the current 499Q. Therefore, you are not eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

#### 499A:

$$\frac{\$ 1,904,442.00}{\text{499A Contribution Base}} * \frac{0.164000}{\text{FCC Estimated Annual Factor}} = \frac{\$ 312,328.49}{\text{Estimated 499A Contribution}}$$

#### 499Q:

$$\frac{\$ 433,125.43}{\text{Adjusted Contribution}} * 4 = \frac{\$ 1,732,501.70}{\text{Estimated 499Q Contribution}}$$

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at [www.fcc.gov](http://www.fcc.gov).

#### Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

$$\frac{1}{3} * \frac{\$ 433,125.43}{\text{Adjusted Quarterly Contribution}} = \frac{\$ 144,375.14}{\text{Total Monthly Contribution}}$$



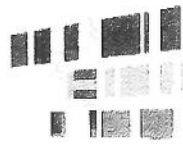
Universal Service  
Administrative Co.

Filer 499 ID: 828382  
Invoice Number: UBDI0000972774  
Statement Date: 04/20/2018

Credits & Payments

Date	Description	Amount
03/19/2018	Payment	(\$16,878.43)
	TOTAL	(\$16,878.43)





# Universal Service Administrative Co.

Filer 499 ID: 828382  
Invoice Number: UBDI0000972774  
Statement Date: 04/20/2018

## Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

## Payments & Credits Applied

Description - Debt Due Date	Principal	Payment/ Credit Date	Interest Rate	Days Late	Additional Interest (B* (D/365)*E)	Accrued Interest	Total Interest (F+G)	Payment & Credits Applied	Interest Outstanding	Principal Outstanding
A	B	C	D	E	F	G	H	I	J	K
UBDI0000960817 - 3/15/2018	\$16,878.43	3/19/18	8.00%	0	\$0.00	\$0.00	\$0.00	(\$16,878.43)	\$0.00	\$0.00

## Outstanding Items

UBDI0000966808 - 4/13/2018	\$16,878.43		8.25%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$16,878.43
UBDI0000972774 - 5/15/2018	\$144,375.15		0.00%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$144,375.15

\$0.00

(\$16,878.43)

\$0.00

\$161,253.58

Principal Outstanding

\$161,253.58

Interest & Penalties

\$0.00

Total Amount Due

\$161,253.58